



AUG 2 2001

Dear Tribal Leader:

On July 6, 2001, I signed the enclosed Indian Health Service (IHS) Circular No. 2001-05, "Contract Support Costs," which is effective and applicable to self-determination awards made for fiscal year 2002 (beginning October 1, 2001) and subsequent fiscal years. This policy on the administration of contract support costs (CSC) in the IHS was developed and revised through coordination and consultation with tribes and tribal organizations. It supersedes any previously issued policies or instructions regarding the allocation of CSC funds.

Copies of this circular will be mailed to Area Offices and tribal health directors. It will also be available on the IHS web page at www.IHS.gov. When you go to the site, select "Management Resources," then select "IHS Manual."

I would like to recognize the hard work and dedication of the many tribal leaders and representatives and IHS staff who have worked tirelessly on revising this policy over the past 15 months. The time and energy contributed by the IHS/Tribal CSC Workgroup participants in assisting the IHS to further refine its CSC policy is greatly appreciated and valued. I am confident that this revised policy will contribute to a more equitable funding allocation methodology for CSC.

We need to continue monitoring the implementation of this revised CSC policy to ensure that it continues to be responsive to the needs of tribes in administering their health programs and to the IHS's commitment to the Federal Government's policy of Indian self-determination.

The IHS is, and will remain, committed to meaningful tribal consultation on CSC issues.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Michael H. Trujillo", is written over the typed name.

Michael H. Trujillo, M.D., M.P.H., M.S.
Assistant Surgeon General
Director

Enclosure